



# App Store Commission Rates and the Value of Apple and the App Store to Developers

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# Valuation: Summary

- **Goal of analysis:** Estimate the value of services provided by the Apple ecosystem to developers, focusing on digital goods and services (“DGS”)
- **Conceptual framework:** Apple and the App Store provide different buckets of value to developers
- **Approach:** Estimate the **costs to developers** to hypothetically procure (if only in part) services Apple otherwise provides

## Results by value bucket:

### 1. Platform technology

Access to core Apple technologies, intellectual property, and a platform that integrates hardware and software

cost = **30% of revenues (overlap with other buckets)**  
**5%–20% of revenues for platform tech only**  
**(0.3%–6% with platform tech only and no demand generation)**

### 2. Developer tools and services

Tools and services to help developers build apps and optimize performance, engagement, and monetization

cost = **3%–16% of revenues**  
**(0.1%–5% for game engines)**

### 3. Distribution

Hosting and distributing apps and updates to global users at a large scale  
 Fostering user trust in the App Store and its apps, preventing piracy, and protecting developers

cost = **4%–14% of revenues**  
**(4%–25% including small game developers)**

### 4. Discovery

Services including some advertising and marketing to acquire users and measure channel performance **(5%–21% including small game developers)**

cost = **5%–14% of revenues**

### 5. Care and support

Developer and customer care capabilities provided across all tools and services, including Apple experts and technical support

**not estimated**

## Caveats:

- The stack of services Apple provides is unique; this analysis is an effort to approximate the value of those services
- Possible overlap in value buckets and buckets not necessarily additive (a developer does not necessarily use all features)
- %'s based on revenues generated by IAP; even for apps with IAP, there can be revenue sources outside the App Store
- Alternatives typically involve upfront costs, which make it harder to start apps and financially riskier for developers

## Further details: Platform technology

- Apple platform technology consists of a **high-quality common infrastructure** for consumers and developers and a technological core to **expand third-party developer capabilities**
  - High-quality hardware, operating system, and innovative technologies (including robust built-in privacy and security measures such as FaceID) create a secure and trusted environment
  - Technologies such as camera integration, Core Location, Core ML, and Apple SDKs improve the quality and extend app capabilities
- One way to benchmark the value of Apple's platform technology is to consider the prices that comparable platforms charge sellers to **replicate parts** of the functionality of Apple's platform technology
  - Note: this provides a **lower bound** on the value of Apple's platform technology because substitutes do not replicate all capabilities of the Apple platform
  - Other similar platforms are **cloud services** and **API libraries**, which let developers run webapps, use remote computing resources, and integrate DGS with third-party services to facilitate interactions between groups and extend capabilities (rather than running apps on the Apple platform and hardware using iCloud)
- Overall pricing range:** **30%** of revenues for game consoles (total price, includes other buckets than platform technology), **~5%–20%** of revenues (platform tech only, with demand generation); or **0.3%–6%** of revenues (with no or limited demand generation)

	Functionality	Examples	% of revenues
Games consoles	Games marketplaces with platform technology	<ul style="list-style-type: none"> <li>Xbox Store</li> <li>PlayStation Store</li> </ul>	<ul style="list-style-type: none"> <li>30% (total price, includes other buckets than platform technology)</li> </ul>
E-commerce business services	Provide technological tools for capability expansion but have no demand generation aspect	<ul style="list-style-type: none"> <li>Shopify</li> <li>Adobe Commerce</li> </ul>	<ul style="list-style-type: none"> <li>0.6%–2.6%</li> <li>0.3%–6%</li> </ul>
Physical retail	Offer space for stores and customers, along with ancillary services (e.g., bathrooms)	Shopping malls	5%–20% ("percent leases")
		Airports	8%–18% (plus minimum annual guarantee)

## Further details: Developer tools and services

- Technical tools and services allow developers to build apps and optimize performance, engagement, and monetization. Apple provides these tools to developers (e.g., Swift, Xcode, TestFlight, App Analytics)
  - A key benefit of current Apple model for developers is that it **lowers startup costs and risks**, compared to a world in which they would need to pay up front for tools and services
- Developers could alternatively buy these tools from third parties, typically for a flat fee per developer seat, subscription, or usage-based fee
  - Tiered pricing structures, as well as negotiated (and opaque) pricing structures are common
- Overall pricing range:** approximately **3%–16%** of developer revenues; **0.1%–5%** of revenues for game engines

	Functionality	% of developer revenues
<b>Package of DT&amp;S</b>	<ul style="list-style-type: none"> <li>IDEs (<i>App Code, Gluon</i>)</li> <li>Programming languages (<i>Java, C++ front end</i>)</li> <li>Developer programs (<i>Google Play dev program</i>)</li> <li>Analytics (<i>data.ai, Qonversion</i>)</li> <li>Frameworks and API libraries (<i>Plaid, Unity</i>)</li> <li>Testing tools (<i>Appetize, Kobiton</i>)</li> <li>Innovative technologies (<i>Unreal engine</i>)</li> </ul>	<ul style="list-style-type: none"> <li>11%–16% (small developer)</li> <li>3%–6% (large developer)</li> </ul>
<b>DT&amp;S example: (game engines)</b>	Software frameworks for creating games (rendering, physics, level creation, animation, etc.)	<ul style="list-style-type: none"> <li>5% above \$1m, 0% otherwise (Unreal Engine)</li> <li>0.1%–1% (Unity; priced at \$399 to \$2,040 per developer-seat per year)</li> </ul>

Note: Small developers assumed to have fewer than \$1 million in annual revenues and fewer than 1 million downloads. Large developers are assumed to have over \$1 million in annual revenues or over 1 million downloads.

## Further details: Distribution

- App Store allows developers to link with users at a global scale: 1.5 billion Apple devices across 175 regions with 747 million weekly app downloads
- Apple App Store distribution provides **dynamic access to hosting infrastructure, automatic updates, and secure systems**
- Developers could instead buy third-party distribution tools from cloud service and web infrastructure providers
  - However, these alternatives have significant upfront costs and are priced based on usage
- Overall pricing range:** approximately **4%–14%** of developer revenues
  - Including small game developers, range is approximately **4%–25%**
  - This is a lower bound that does not include the significant value of users' trust in the App Store's privacy (e.g., App Review, which increases downloads) and piracy protection measures (which protect developers)

	Functionality (Example)	% of developer revenues
Distribution costs	Data transfer and storage from cloud infrastructure (AWS)	<i>Non-games</i> <ul style="list-style-type: none"> <li>14% (small developer)</li> <li>4% (large developer)</li> </ul> <i>Games</i> <ul style="list-style-type: none"> <li>25% (small developer)</li> <li>4% (large developer)</li> </ul>
Hosting costs	Make data available for users on web (CloudFlare)	<ul style="list-style-type: none"> <li>0.2% (small developer)</li> <li>0.1% (large developer)</li> </ul>

**Note:** Small developers assumed to have fewer than \$1 million in annual revenues and fewer than 1 million downloads. Large developers are assumed to have over \$1 million in annual revenues or over 1 million downloads.

## Further details: Discovery

- The App Store provides valuable discovery services, including some advertising and marketing, through (1) **product pages** (e.g., standardization, ratings and reviews, page localization), (2) **curation and personalization** (e.g., App of the Day, Featured Apps), (3) **optimization and data analytics** (e.g., app developer dashboard), and (4) **platform and iOS discovery** (e.g., Spotlight search, App Library for reengagement)
- Developers could instead buy and use third-party tools and paid advertising to facilitate discovery
  - Assembling a package of third-party discovery tools involves substantial effort and may require paying for services without realizing revenue (e.g., pay-per-click for ads)
  - Advertising cost comprises the majority of the discovery cost and is estimated as downloads originated in the browse channel from the App Store times the advertising cost per download
  - Affiliate programs and advertising platforms are two notable ways that developers procure these discovery services from third parties other than app marketplaces
- **Overall pricing range:** approximately **5%–14%** of developer revenues
  - Including small game developers, range is approximately **5%–21%**

	Functionality (Examples)	% of developer revenues
Discovery cost	<ul style="list-style-type: none"> <li>• Product website (<i>template or web developer</i>)</li> <li>• Review system (<i>Trustpilot</i>)</li> <li>• Website optimization and analytics (<i>Optimizely, Unbounce, Kissmetrics, Google Analytics/Optimize</i>)</li> <li>• Increase in advertising costs (<i>Facebook, Google</i>)</li> <li>• Alternative app database (<i>ProductHunt, AlternativeTo</i>)</li> </ul>	<b>Non-games</b> <ul style="list-style-type: none"> <li>• 14% (small developer)</li> <li>• 5% (large developer)</li> </ul>
		<b>Games</b> <ul style="list-style-type: none"> <li>• 21% (small developer)</li> <li>• 7% (large developer)</li> </ul>

**Note:** Small developers assumed to have fewer than \$1 million in annual revenues and fewer than 1 million downloads. Large developers are assumed to have over \$1 million in annual revenues or over 1 million downloads.

## Benchmarking: Summary

- While no other platform offers the set of unique tools and services that the App Store does, the App Store **headline commission is in the range** of other integrated app stores and games marketplaces (which command a premium) and digital marketplaces
  - ~**30%** for certain integrated app stores (Google Play Store, Amazon App Store)
  - **30%** for game marketplaces with platform technology (Xbox, PlayStation, Nintendo)
    - **20%–30%** for Steam, a game marketplace with no platform technology
  - **15%–25%** for software add-on marketplaces with platform tech (Adobe Exchange, Salesforce, DigitalOcean)
  - Wide variation for other digital content marketplaces with no platform technology, with 30% or more being common
- The App Store **effective commission** is **far less than 30%**
  - The effective commission – the rate developers pay when considering revenues *facilitated* by the App Store – falls between **2% and 20%** for a range of DGS app categories, including games
  - The effective commission is less than the headline commission because Apple has **reduced the commission level and incidence** over time
    - E.g., Apple allows multiplatform and “reader” apps to generate sales outside the App Store **with no commission**; when taking these additional sales into account, developers pay far less than headline rates
  - Developers can also monetize through ads, on which Apple charges **no commission**
- Some platforms are able to charge a commission on transactions they facilitate, even when payments happen through third parties
  - Reflects value of platforms and marketplaces beyond payment processing and related services
  - Incremental fees when payment occurs on platform are often **1%–4%**

## Further details: Headline commissions

While no other platform offers the set of unique tools and services that the App Store does, the App Store **headline commission** is **in the range** of other integrated app stores and games marketplaces (which command a premium) and digital marketplaces

### Apple App Store

- 30% default
- 15% for Small Business Program, in-app subscriptions over 1 year, premium video apps, in-app subscriptions for Apple News publisher participants

**Select integrated app stores:** **15%–30%** headline commission rate

- Google Play Store: 30% (default) or 15% (under \$1m or auto-renewed subscriptions)
- Amazon Appstore: 30% (default or if total revenues over \$1m) or 20% (if total revenues under \$1m)
- Microsoft Store: 15% (apps and IAP on Windows 11), 12% (PC games), 0% (non-games with 3P payment)
- Alexa Skills Marketplace: 20%

**Select non-integrated app store:** **20%** headline commission rate

- One Store (Korea): 20% or 5% (if developer uses 3P payment)

**Select game marketplaces:** **20%–30%** headline commission rate

- Xbox Store, PlayStation Store, Nintendo eShop (integrated): all 30%
- Steam (no platform technology): 30% (under \$10m revenue), 20% (\$10m–\$50m revenue), or 20% (above \$50m revenue)

**Select software add-on marketplaces** (with platform technology): **15%–25%** headline commission rate

- Adobe Exchange: 15%
- Salesforce AppExchange: 15% (independent software vendor) or 25% (OEM-embedded app)
- Shopify App Store: 20% default, or 15% over \$1m if registered (0% under \$1m)

**Select digital content marketplaces** (without platform technology): **wide range** of headline commission rates; **30%** or greater headline commission rate is common

- Twitch: 50% (subscriptions), 25% (advertising minimum)
- YouTube: 30% (channel memberships), 30% (Super Chats, Stickers, Thanks), 45% (partner advertising), 55% (Shorts advertising)
- Patreon: 8% (Pro), or 12% (Premium)

*See backup slides for more*



## Further details: Effective commissions

- The App Store “effective commission” is the commission rate developers pay when considering revenues *facilitated by* the App Store, not just *billings through* the App Store
- Apple does not charge a commission on multiplatform and reader app sales that occur outside of the App Store despite being consumed on iOS apps; developers can also monetize through ads, on which Apple charges no commission
- We therefore estimate effective commission rates using **total billings and sales** facilitated by the App Store from the 2021 ecosystem study, which takes into account multiplatform usage, reader app carveouts, and advertising revenues
- We find that the average effective commission rate across select categories was [REDACTED] in 2021, far less than both the headline commission and the actual commission rate paid based only on App Store billings

Selected app category	App Store billings (\$B)	Facilitated billings and sales estimate (\$B)	Actual commission rate	Effective commission rate*
Games	[REDACTED]			
Video streaming				
eBooks and audiobooks				
Music streaming				
News and magazines				
Enterprise				
Other				
Total				

### Notes:

\* Non-games advertising is only available in aggregate. We added non-game advertising to the total to calculate a more accurate average commission rate. Category level effective commission rate are underestimates for all categories but games as they do not incorporate advertising.

[1] Facilitated billings and sales estimate from 2021 ecosystem study. Facilitated billings and sales for the Other category was proxied by App Store billings. For games, facilitated billings and sales is App Store billings plus advertising revenues. For non-games, advertising revenues are [REDACTED]

[2] Effective commission rate calculated as (Actual commission rate) × (App Store billings / billings and sales facilitated by the App Store).

[3] Video streaming billings and sales estimate includes Apple TV revenues.

## Further details: Platform fee structures

- Certain platforms charge separately for (i) using/accessing the platform and (ii) processing payments on the platform
  - Shows that charging a commission even when payments happen through third parties is possible and supported by the market
  - The **value** of a platform **extends beyond payment processing** and related services
  - Incremental fees when payment occurs on platform are typically **1%–4%**

Selected marketplace	Fees for platform use	Incremental fees when payment occurs on-platform
Google Play*	<i>List app on app store (platform tech, developer tools and services, discovery, distribution):</i> <ul style="list-style-type: none"> <li>• 26% (27% EEA) default</li> <li>• 11% (12% EEA) under \$1m or auto-renewed subscription</li> </ul>	<i>Use Google Play Store billing system:</i> 4% (3% EEA)
Shopify	<i>Access to platform (create storefront, retail reports, use logistics tools) + off-platform payment fees:</i> <ul style="list-style-type: none"> <li>• \$39 / mo. + 2.0% (Basic)</li> <li>• \$399 / mo. + 0.5% (Advanced)</li> <li>• \$2,000 / mo. + 0.15% (Plus)</li> </ul>	<i>Use Shopify Payments:</i> <ul style="list-style-type: none"> <li>• 0.9% + 30¢ (Basic)</li> <li>• 1.9% + 30¢ (Advanced)</li> <li>• 2.0% + 30¢ (Plus)</li> </ul>
Etsy	<i>Transaction fee and listing fee per item:</i> 6.5% + 20¢ / listing	<i>Use Etsy Payment :</i> 3% + 25¢
Booking.com	<i>Commission per travel reservation (paid even if guest pays at the property):</i> 15%	<ul style="list-style-type: none"> <li>• <i>Payment through virtual credit cards:</i> Pass through of credit card per transaction fees</li> <li>• <i>Payment through bank transfer:</i> 1.1% to 3.1%</li> </ul>
One Store (Korea)	<i>List app on app store (distribution, discovery, developer tools and services):</i> 5%	<i>Use One Store's payment system:</i> 15%

\*Google Play allows developers to display alternative billing systems for IAP in India and South Korea, and for non-games IAP in the European Economic Area (EEA) and for developers participating in a pilot program

# Off-app purchases: Summary

- How to charge a commission or fee for a purchase that happens after the user clicks a link that goes out of the app?  
Possible benchmarks:
  - **Affiliate programs**, which offer affiliates (e.g., bloggers, publishers, website owners) a commission on referrals during a given time window to promote products
    - **Tracking windows** (or cookie durations) determine the time period within which affiliates can earn a commission; a commission is paid if buyer clicks affiliate link, makes purchase within specified time
      - This requires a **tracking mechanism** to follow off-app activities; tracking mechanisms can be customer-based (i.e., cookies stored on customer hardware keep track of an affiliate click) or server-to-server based (i.e., a tracking link that includes affiliate information and is connected with a purchase by the seller's server)
    - The time period during which an affiliate earns a commission for a referral vary significantly (between **24 hours** and **90 days** among the examples in our review)
  - **Ad campaigns run by developers** with the help of Mobile Measurement Partners (“MMPs”). MMPs attribute app installs and re-engagement to ads based on either ad clicks or ad views (“view-through”) during a given window or through probabilistic models. They similarly need tracking mechanisms to link ad views or clicks to installs or re-engagement
    - Typical default MMP lookback windows are **7 days click** and **1 day view-through**
    - Effective cost per install in the US is **\$5.30** (\$6.60 for games)
  - **The goal of a typical affiliate program or ad campaign run by developers is discovery**, which is believed to be effective during a limited time window; platform tech, developer tools and services, and distribution may contribute continuously to purchases of DGS used on the platform and provide value beyond any time window

**Note:** effective US cost per install estimate includes both iOS and Android; the iOS eCPI is likely higher.

## Further details: First-party affiliate programs

- Firms can use affiliate programs to sell their own products (“first party”)
- For first-party affiliate programs, tracking windows range between **14 days** and **90 days** for the examples we reviewed
- Affiliate commission rates are between **1%** and **20%** for the examples we reviewed
- Economics suggests that the affiliate commission rate would be related to the profit margin of the firm on the promoted products
  - Hence direct comparison of affiliate commission rates is not straightforward (e.g., an affiliate commission rate of 1% on a product with a small margin could be equivalent to a 50% commission rate on a product with a high product margin)

Affiliate program	Description	Tracking window	Affiliate commission rate
<b>Bluehost</b>	Affiliates use ads, links to promote Bluehost web hosting services (e.g., WordPress)	90 days*	\$65 per sale
<b>Norton LifeLock</b>	Affiliates use ads and links to promote Norton LifeLock cybersecurity products and services	30 days*	20%
<b>Wall Street Journal</b>	Affiliates use unique links to promote subscriptions to WSJ-affiliated publications	30 days	\$24 per sale
<b>Microsoft</b>	Affiliates use ads or links to promote certain Microsoft first-party products or services (e.g., Xbox consoles, Office 365)	14 days	\$1.30–\$10 (subscription) 1%–7% (varies by category)**
<b>McGraw Hill</b>	Educational partners promote products, including ebooks	30 days	8% (eBooks) or 4% (books)

**Notes:** [\*] first-party source. [\*\*] See backup slides for details on by-category variation.

## Further details: Platform affiliate programs

- Platforms can also use affiliate programs to boost the sales of third-party merchants on the platform
  - In some cases, the platform may also offer their own first-party products (e.g., Amazon)
- Tracking windows range between **24 hours** and **30 days** for platforms selling third-party products for reviewed examples
- Affiliate commission rates are between **1%** and **10%** for reviewed examples
  - Platforms only earn revenues from commissions for sales by third parties
    - Economics would suggest that the affiliate commission rate would be related to the platform commission on the sales made by third-party merchants
  - Effective affiliate commission rates are between **7%** and **67%** of platform commission
  - We observe variation in rates within individual affiliate programs; retailers may offer higher affiliate commission rates for products with more affiliate-driven demand (e.g., fashion) and/or products with higher platform commissions

Affiliate program	Description	Tracking window	Affiliate commission rate	Effective affiliate commission rate out of platform commission
eBay	Partners create content to promote certain eBay listings or product categories	24 hours*	1%–4% (varies by category)**	8%–47%
Etsy	Affiliates create content to promote certain Etsy listings and drive traffic and sales to Etsy	30 days (7 days in app)*	4%	62%
Amazon**	Affiliates use ads or links to promote certain Amazon products or categories	24 hours*	1%–10% (varies by category)** \$0.15–\$15 (subscription)	7%–67% (goods)
Walmart**	Affiliates use ads or links to promote certain Walmart products or categories	3 days	1%–4% (varies by category)**	7%–27%

**Notes:** [\*] first-party source. [\*\*] See backup slides for details on by-category variation; Amazon and Walmart sell both first and third-party products. 63% of Amazon's sales are third-party sales.

## Further details: Developer ad campaigns

- Developers use MMPs to measure the effectiveness of their ad campaigns
  - MMPs attribute app installs to ads based on either ad clicks or ad views (“view-through”), or probabilistically
  - MMPs can also track other events, e.g., re-engagement (users re-opening or installing app previously used)
- As part of the attribution process, MMPs allow developers to set the length of click and view-through lookback windows (i.e., how long after the ad click/impression a user installs an app)
  - Typical default MMP lookback windows are **7 days click** and **1 day view-through**
  - Certain “walled garden” ad networks called self-attributing networks (“SAN”s), like Google, Meta Ads, Snapchat, or Apple Search Ads, use longer click default windows, up to 30 days
- MMPs allow developers to calculate the effective cost per app install (eCPI) as the ratio of ad spend to downloads
  - The eCPI in the US is approximately **\$5.30** overall (\$6.60 for games). This estimate includes both iOS and Android; the iOS eCPI is likely higher

MMP	Click lookback window	View-through lookback window
Adjust	7 days	1 day
AppsFlyer	7 days	1 day
Branch	7 days	1 day
Kochava	30 days	1 day
Singular	7 days	1 day
SAN	Click lookback window	View-through lookback window
Apple Search Ads	30 days	30 days
Facebook	7 days	1 day
Google	30 days	1 day
Snapchat	28 days	1 day
Twitter	30 days	1 day

**Note:** Default lookback windows shown. Developers can manually adjust the length of their lookback windows.

## Further details: Leakage risks

- If Apple charges a commission for off-app purchases, **leakage** may become an issue and reduce commissions charged
  - Leakage: When participants meet on a platform but take their transactions off-platform to avoid paying a commission
  - Leakage is expected to be more of a concern when transactions are higher value and/or are repeated
  - **Collection risks** are also an issue if Apple has no visibility into transactions: developers may not pay the commissions they owe
- When leakage is so large that platforms are unable to use transaction fees, they often monetize through other types of fees, like **subscription fees** to one or both sides of the platform, **listing/advertising** fees, fees for **more important placement on the platform**, or **new customer referral** fees

# Backup



# Benchmarking: App store commissions

- Commissions across app stores typically fall between **15%** and **30%**

Select app store (platform technology)	Description of platform	Headline commission rate
Apple App Store		<ul style="list-style-type: none"> <li>30% default</li> <li>15% (Small Business Program)</li> <li>15% (in-app subscriptions over 1 year)</li> <li>15% (premium video apps)</li> <li>15% (in-app subscriptions for Apple News publisher participants)</li> </ul>
Google Play Store	<ul style="list-style-type: none"> <li>Android apps</li> <li>Software tech</li> <li>Developer tools for app creation, testing, and distribution</li> </ul>	<ul style="list-style-type: none"> <li>30% (default)</li> <li>15% (under \$1m or auto-renewed subscriptions)</li> </ul>
Amazon Appstore	<ul style="list-style-type: none"> <li>Android apps, especially for Amazon Fire tablets</li> <li>Developer tools for app submission and monetization</li> </ul>	<ul style="list-style-type: none"> <li>30% (default or if total revenues over \$1m)</li> <li>20% (if total revenues under \$1m)</li> </ul>
Samsung Galaxy Store *	<ul style="list-style-type: none"> <li>Android apps on Samsung Galaxy devices</li> <li>Developer tools for app creation and integration with Samsung devices</li> <li>Limited to Samsung Galaxy devices</li> </ul>	<ul style="list-style-type: none"> <li>30% (default, or otherwise agreed-upon rate)</li> </ul>
Microsoft Store **	<ul style="list-style-type: none"> <li>Windows-compatible apps, PC entertainment</li> <li>Developer tools for app creation and distribution on Windows platforms</li> </ul>	<ul style="list-style-type: none"> <li>15% (apps and IAP on Windows 11)</li> <li>12% (PC games)</li> <li>0% (non-games with 3P payment)</li> </ul>
Alexa Skills	<ul style="list-style-type: none"> <li>Alexa-compatible features, games, and applications</li> </ul>	<ul style="list-style-type: none"> <li>20%</li> </ul>
Select app store (no platform technology)	Description of platform	Headline commission rate
One Store (Korea)	<ul style="list-style-type: none"> <li>Apps for mobile devices (non-iOS), popular in Korea</li> <li>Developer tools for app creation, testing, and distribution</li> </ul>	<ul style="list-style-type: none"> <li>20% (default)</li> <li>5% (if developer uses 3P payment)</li> </ul>

\* Samsung Galaxy Store platform technology is more limited, given the relatively smaller base of Samsung Galaxy devices.

\*\* In July 2021, Microsoft reduced its commission rate on non-Xbox apps and games and allowed third-party payment for non-Xbox non-game apps. Microsoft charges a higher commission rate for Xbox games (with platform technology) than for Windows games (with no or little platform technology).

# Benchmarking: Game store commissions

- Commissions across game store marketplaces typically fall between **20%** and **30%**
  - Those including platform technology (console game marketplaces: Xbox, PlayStation, Nintendo) often charge more than distribution platforms with little or not platform technology

Select game marketplace (platform technology)	Description of platform	Headline commission rate
Xbox	<ul style="list-style-type: none"> <li>Subset of Microsoft Store</li> <li>Games, entertainment on Xbox console</li> <li>Developer tools for creating (including game engine) and publishing games</li> </ul>	<ul style="list-style-type: none"> <li>30%</li> </ul>
PlayStation	<ul style="list-style-type: none"> <li>Games and entertainment on PlayStation devices</li> <li>Developer tools for creating (including game engine) and publishing games</li> </ul>	<ul style="list-style-type: none"> <li>30%</li> </ul>
Nintendo	<ul style="list-style-type: none"> <li>Games, entertainment on Nintendo devices</li> <li>Developer tools for creating and publishing games</li> </ul>	<ul style="list-style-type: none"> <li>30%</li> </ul>
Select game marketplace (no platform technology)	Description of platform	Headline commission rate
Steam	<ul style="list-style-type: none"> <li>Distribution and monetization platform for PC games</li> <li>Developer tools for game creation and distribution</li> <li>Community features and multiplayer integration</li> </ul>	<ul style="list-style-type: none"> <li>30% (under \$10m revenue)</li> <li>25% (between \$10-50m revenue)</li> <li>20% (above \$50m revenue)</li> </ul>
Epic Games	<ul style="list-style-type: none"> <li>Distribution platform for PC games</li> <li>Developer tools for game creation (including game engine) and distribution</li> </ul>	<ul style="list-style-type: none"> <li>12% (unprofitable, possibly litigation driven – includes Unreal Engine royalty)</li> </ul>
Origin	<ul style="list-style-type: none"> <li>Electronic Arts games and games from select third-party developers</li> <li>Community features</li> </ul>	<ul style="list-style-type: none"> <li>Unknown</li> </ul>
WeGame	<ul style="list-style-type: none"> <li>Tencent marketplace for games from various developers</li> <li>Developer tools such as WeGame SDK and API</li> </ul>	<ul style="list-style-type: none"> <li>Negotiated case-by-case</li> </ul>
Game Jolt	<ul style="list-style-type: none"> <li>Marketplace for independent video games</li> </ul>	<ul style="list-style-type: none"> <li>0%–10% (chosen by developer)</li> </ul>
Itch.io	<ul style="list-style-type: none"> <li>Marketplace for independent video games</li> </ul>	<ul style="list-style-type: none"> <li>10% (default, developer can choose to change to any value)</li> </ul>

# Benchmarking: Software add-on commissions

- Commissions across software add-on marketplaces with platform technology typically fall between **15%** and **25%**

Select software add-ons	Description of platform	Headline commission rate
Adobe Exchange	<ul style="list-style-type: none"> <li>Adobe-compatible extensions and plug-ins</li> <li>Developer tools for creating, publishing extensions</li> </ul>	<ul style="list-style-type: none"> <li>15%</li> </ul>
Salesforce AppExchange	<ul style="list-style-type: none"> <li>Third-party apps integrated with Salesforce</li> <li>Developer tools to integrate CRM with other products</li> </ul>	<ul style="list-style-type: none"> <li>15% (independent software vendor)</li> <li>25% (OEM embedded apps)</li> </ul>
Shopify App Store	<ul style="list-style-type: none"> <li>Shopify-compatible third-party apps and integrations</li> <li>Enhances functionality of Shopify-powered stores</li> <li>Developer tools for creating, publishing extensions</li> </ul>	<ul style="list-style-type: none"> <li>20% (default)</li> <li>Reduced rate plan upon registration: 0% under \$1m; 15% over \$1m</li> </ul>
DigitalOcean Marketplace	<ul style="list-style-type: none"> <li>Deploys pre-configured applications, cloud infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>25%</li> </ul>
Atlassian Marketplace	<ul style="list-style-type: none"> <li>Apps, add-ons, plug-ins, integrations with Atlassian products Jira, Confluence, Bitbucket, and more</li> <li>Developer tools for creating, publishing products</li> </ul>	<ul style="list-style-type: none"> <li>15% (cloud apps)</li> <li>25% (data center apps)</li> <li>25% (server apps)</li> </ul>

# Benchmarking: Digital content commissions

- Commissions across digital content marketplaces vary significantly with 30% or greater headline commission rate being common; these marketplaces do not offer platform technology

Select digital content marketplace	Description of platform	Headline commission rate
<b>Spotify for Podcasters</b>	<ul style="list-style-type: none"> <li>Platform for creators to upload, distribute podcasts</li> <li>Offers tools to monetize podcasts through subscriptions or ads</li> <li>Tools for analytics, growing audience</li> </ul>	<ul style="list-style-type: none"> <li>30% for Ambassador ads feature</li> <li>5.5% for subscriptions</li> <li>0.8-1.6% (foreign exchange fee)</li> <li>\$0.20–0.30 (cash-out fee)</li> </ul>
<b>Twitch</b>	<ul style="list-style-type: none"> <li>Platform for live streaming (primarily gaming), interacting with audience</li> <li>Tools for creators to monetize content</li> </ul>	<ul style="list-style-type: none"> <li>50% (subscriptions)</li> <li>25% (advertising minimum)</li> </ul>
<b>Roku</b>	<ul style="list-style-type: none"> <li>Media platform for TV and video content, such as streaming, apps, or stand-alone titles</li> </ul>	<ul style="list-style-type: none"> <li>20% (pay-to-install or in-channel purchases)</li> <li>30% (of advertising inventory)</li> </ul>
<b>YouTube</b>	<ul style="list-style-type: none"> <li>Video-sharing platform that allows users to upload and/or watch videos</li> <li>Creator tools to edit videos, engage with audience, monetize content</li> </ul>	<ul style="list-style-type: none"> <li>30% (channel memberships)</li> <li>30% (Super Chats, Stickers, Thanks)</li> <li>45% (Partner advertising)</li> <li>55% (Shorts advertising)</li> </ul>
<b>Amazon Prime Video Direct</b>	<ul style="list-style-type: none"> <li>Self-publishing platform for creators to upload, distribute videos on Prime Video</li> </ul>	<ul style="list-style-type: none"> <li>50% (purchases, rentals)</li> </ul>
<b>Kindle Direct Publishing</b>	<ul style="list-style-type: none"> <li>Self-publishing platform for authors to publish, distribute paperback and eBooks books through Amazon and Kindle</li> </ul>	<ul style="list-style-type: none"> <li>30% (US ebooks between \$2.99–\$9.99)</li> <li>65% otherwise</li> </ul>
<b>Barnes and Noble Press</b>	<ul style="list-style-type: none"> <li>Self-publishing platform for authors to publish, distribute paperback and eBooks books through Barnes and Noble and Nook</li> </ul>	<ul style="list-style-type: none"> <li>30% (ebooks)</li> <li>45% (print books)</li> </ul>
<b>Kobo</b>	<ul style="list-style-type: none"> <li>Self-publishing platform for eBooks, audiobooks</li> <li>Offers creators ability to be paid based on time spent on their titles</li> </ul>	<ul style="list-style-type: none"> <li>30% (ebooks between \$1.99–\$12.99; 55% otherwise)</li> <li>55% (audiobooks over \$2.99; 65% if under)</li> </ul>
<b>Audible</b>	<ul style="list-style-type: none"> <li>Platform for distributing audiobooks that supports self-publishing</li> <li>Supports creators by funding creation of exclusive content</li> </ul>	<ul style="list-style-type: none"> <li>60% (exclusive content)</li> <li>75% otherwise</li> </ul>
<b>Patreon</b>	<ul style="list-style-type: none"> <li>Platform for creators to interact with their communities, build their business</li> <li>Provides tools for marketing, hosting multimedia content, tax filings, etc.</li> </ul>	<ul style="list-style-type: none"> <li>8% (Pro)</li> <li>12% (Premium)</li> </ul> <p><i>Plus payment processing, currency conversion, payout fees, and payment processing, and applicable taxes</i></p>

## Off-app purchases: Microsoft affiliate commission rates

Category	Affiliate commission rate
PC and other accessories	1%
Products and services that are not mentioned	1%
Xbox accessories and consoles	2%
Microsoft Surface and accessories	2%
Xbox Game Pass	2%
Paid applications	2%
Xbox Live Gold	2%
Additional Microsoft and Office products	5%
TV shows and movies	7%
Xbox games (Microsoft or third-party)	7%

**Note:** In some cases, the Microsoft and Xbox stores also sell third-party products and services (e.g., third-party Xbox games and hardware). In that case, the effective affiliate commission rate out of Microsoft's platform commission would be higher.

## Off-app purchases: Walmart affiliate commission rates

Category	Affiliate commission rate	Walmart commission rate	Effective affiliate commission rate out of Walmart commission
Electronics, cameras and supplies, wireless	1%	8%	12.5%
Media & gaming	1%	15%	6.7%
Toys, books & magazines, seasonal, celebration, stationery, sporting goods, automotive, hardware & tools/do it yourself, patio and garden, horticulture, arts, crafts, sewing & fabric, cook and dine, home decor, bath and shower, bedding, home management, furniture	3%	15%	20%
Pets and supplies, beauty, baby hardlines	3%	15%*	20%
Apparel and accessories	4%	15%	26.7%
Jewelry	4%	20%*	20%

\* Lower platform commission rates for smaller-sized purchases (i.e., higher effective affiliate commission rates for smaller-sized purchases).

# Off-app purchases: Amazon affiliate commission rates

- Effective commission rates are particularly important for Amazon because nearly 2/3 (63%) of Amazon's sales are third-party sales

Category	Affiliate commission rate	Amazon commission rate	Effective affiliate commission rate out of Amazon commission
Gift cards, wireless service plans, alcoholic beverages, digital Kindle products purchased as a subscription, food prepared and delivered from a restaurant, Amazon Appstore, Prime Now, Amazon Pay Places, or Prime Wardrobe purchases	0%	8%–20%	0%
Video games	1%	15%	6.7%
Video game consoles	1%	8%	12.5%
Televisions	2%	8%	25%
DVD and Blu-Ray	2.5%	15%	16.7%
PCs and PC components	2.5%	8%	31.3%
Amazon Fresh, toys	3%	15% (toys)	20%
Amazon Fire tablet devices, Amazon Kindle devices, Amazon Cloud Cam devices, Fire TV Edition smart TVs, Amazon Fire TV devices, Amazon Echo devices, Ring devices, luggage, shoes, and handbags & accessories	4%	15%	26.7%
Apparel	4%	17%	23.5%
Watches	4%	16%*	25%
Jewelry	4%	20%*	20%

\* Higher platform commission rates for smaller-sized purchases (i.e., lower effective affiliate commission rates for smaller-sized purchases).

## Off-app purchases: Amazon affiliate commission rates (2)

- Effective commission rates are particularly important for Amazon because nearly 2/3 (63%) of Amazon's sales are third-party sales

Category	Affiliate commission rate	Amazon commission rate	Effective affiliate commission rate out of Amazon commission
Physical books, health & personal care, sports, kitchen, automotive, baby products	4.5%	15%**	30%
Digital music, grocery, physical music, handmade, digital videos	5%	15%**	33.3%
Outdoors, tools	5.5%	15%	36.7%
Headphones, beauty, musical instruments	6%	15%	40%
Business & industrial supplies	6%	12%	50%
Furniture, home, home improvement, lawn & garden, pet products, pantry	8%	15%*	53.3%
Luxury beauty, Amazon Coins	10%	15%**	66.7%

\*\* Lower platform commission rates for smaller-sized purchases (i.e., higher effective affiliate commission rates for smaller-sized purchases).

\* Higher platform commission rates for smaller-sized purchases (i.e., lower effective affiliate commission rates for smaller-sized purchases).



## Off-app purchases: eBay affiliate commission rates

Category	Affiliate commission rate	eBay commission rate *	Effective affiliate commission rate out of eBay commission	Affiliate commission cap
Real estate	1%	13.25%	7.5%	\$100
Electronics: Computers, tablets & networking	1.5%	13.25%	11.3%	\$550
Electronics: Cameras & photo, cell phones & accessories, TV, video & audio, video games & consoles	2%	13.25%	15.1%	\$550
Business & industrial	2.5%	13.25%	18.9%	\$225
Collectibles, home & garden, lifestyle (gift cards & coupons, sports, tickets & events), vehicle parts & accessories	3%	13.25%	22.6%	\$550
Musical instruments	3%	6.35%	47.2%	\$550
Media (books, comics & magazines, DVDs & movies, music)	3%	14.95%	20.1%	\$550
eBay Motors	4%	13.25%	30.2%	\$100
Fashion	4%	13.25%	30.2%	\$550
All other	4%	13.25%	30.2%	\$550

\* Lower eBay commission rates for larger-sized purchases (i.e., higher effective affiliate commission rates for larger-sized purchases).